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19 August 1952

MEMORANDUM FOR: Deputy Director (Administration)

SUBJECT: Administrative Responsibility for Special Projects

FACTS:

1. CIA must necessarily undertake certain operational activities under the guise or through the facilities of independent entities or organizations.

2. This fact immediately precludes the full application of normal Agency policies, procedures and regulations controlling the use of men, money and material.

3. This fact also creates new, specialized problems of commercial and organizational management not encountered in normal agency operations.

4. The above conditions do not negate the legal and moral responsibilities of the Agency for the proper fulfillment of its operational and administrative functions.

DISCUSSION:

1. Every project undertaken under the guise of an independent entity or organization involves three distinct but interrelated functions:

- a. Planning and direction of the operational use or exploitation of the facility to accomplish the operational objective.
- b. Planning and direction of the actual administration of the facility itself to ensure an effective, economical and efficiently operated activity. (Management)
- c. Continuing administration of the relationships of the facility to CIA.

2. The first two of the above functions are largely the responsibility of the operating office whose mission required and warranted the undertaking of the project and its related cover facility. The DDA also has a responsibility for the second (management) function which he can fulfill by the complete performance of the third function. The third function is therefore critical to the DDA in the performance of his duties.

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3. Agency administrative policies and procedures are normally adequately set forth in agency regulations or, in the absence of complete regulations and procedures, sufficient discretionary authority has been delegated to various administrative officials to permit effective and continuing fulfillment on the administrative function. In the case of projects and activities conducted through or by independent entities or organizations, Agency policies and procedures cannot be applied for reasons of security or practicality.

4. It is accordingly essential that an administrative plan be developed for each such project which will define its relationships to CIA in a manner which will ensure the fulfillment of Agency administrative responsibilities as specifically or inherently prescribed by law.

5. There are only two methods by which the DDA can be assured that adequate administrative plans for such projects have been devised and are being complied with:

- a. The DDA or his designee can personally approve each plan and can review continuing reports as to compliance therewith.
- b. The DDA can require the concurrence of each of his administrative divisions to an administrative plan and their continuing review of the activity in its various administrative aspects.

6. The CCC was established as an administrative mechanic combining both of the above methods in an effort to secure coordinated, intensive administrative consideration of the unique problems arising with projects conducted at arms' length under non-CIA cover. The CCC has exactly three functions:

- a. To assist in the development of an Administrative Plan.
- b. To authorize the Administrative Plan.
- c. To review performance thereunder.

7. The Secretariat of the CCC has no function other than to assist the CCC in the performance of its function. It assists in the coordinated development of an Administrative Plan, it assists the CCC in its considerations, and it reviews projects and Administrative Plans for the CCC.

8. If the Secretariat is abolished, consideration must be given to the question as to how the CCC can successfully perform without this assistance since it is only an ad hoc transient body?

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9. Secondly, if the CCC is abolished, the following determinations must be made:

- a. By what method is an administrative plan to be evolved?
- b. By whom or how is such a plan to be authorized?
- c. By what method are these plans to be kept up to date with operational developments, and how can deficiencies in the plans or compliance therewith be quickly detected and corrected?

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 Chief
Administrative Staff (Special)

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